



# City of Rialto

## Legislation Details (With Text)

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**File created:** 8/31/2022      **In control:** City Council

**On agenda:** 9/13/2022      **Final action:**

**Title:** Request City Council to 1) Set a Public Hearing for September 27, 2022, to Conduct a Property Owner Protest Ballot Proceeding; 2) Adopt Resolution No. 7964 Initiating the Proceedings for the Annexation of Properties to the Rialto Landscaping and Lighting Maintenance District No. 2 and to Levy and Authorize Collection of Assessments Commencing with Fiscal Year 2022/2023; and to 3) Adopt Resolution No. 7965 Declaring the Intention to Annex Properties to the Rialto Landscaping and Lighting Maintenance District No. 2 and Conduct a Property Owner Protest Ballot Proceeding On The Matter of the New Assessments Related Thereto Commencing with Fiscal Year 2022/2023.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Attachment 1 - FY 22-23 LLMD No. 2 Annexation 7 Engineers Report.pdf, 2. Attachment 2A - LLMD\_No\_2\_Annex7\_North\_of\_Foothill\_Non-Res\_Parcels.pdf, 3. Attachment 2B - LLMD\_No\_2\_Annex7\_South\_of\_Foothill\_Res & Non-Resl\_Parcels.pdf, 4. Resolution 1.pdf, 5. Resolution 2.pdf

Date	Ver.	Action By	Action	Result
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For City Council Meeting [September 13, 2022]

TO: Honorable Mayor and City Council

APPROVAL: Marcus Fuller, City Manager

FROM: Tim Sullivan, Director of Maintenance and Facilities

Request City Council to 1) Set a Public Hearing for September 27, 2022, to Conduct a Property Owner Protest Ballot Proceeding; 2) Adopt **Resolution No. 7964** Initiating the Proceedings for the Annexation of Properties to the Rialto Landscaping and Lighting Maintenance District No. 2 and to Levy and Authorize Collection of Assessments Commencing with Fiscal Year 2022/2023; and to 3) Adopt **Resolution No. 7965** Declaring the Intention to Annex Properties to the Rialto Landscaping and Lighting Maintenance District No. 2 and Conduct a Property Owner Protest Ballot Proceeding On The Matter of the New Assessments Related Thereto Commencing with Fiscal Year 2022/2023.

**BACKGROUND:**

The Landscaping and Lighting Act of 1972 (the "Act"), beginning with Section 22500 of the California Streets and Highways Code, authorizes the City Council to establish a special district to pay for the costs to operate and maintain public improvements that benefit private properties. In January 2005, the City Council established Rialto Landscaping and Lighting Maintenance District No. 2 (LLMD No. 2) to fund costs for the operation of new streetlights added to the City's street light system and to fund costs for the maintenance of exterior parkway and median irrigation and landscaping adjacent to and associated with private land development.

The City established LLMD No. 2 to annex the public landscaping and lighting related to all new developments within the City. In contrast with LLMD No. 1, the City may annually adjust the special assessments for inflation using the Consumer Price Index (CPI). The City conditions new development to annex into LLMD No. 2 to fund maintenance of exterior landscaped parkways, medians, and/or new streetlights. Proposition 218 allows for the maximum special assessment rate, levied under LLMD No. 2, to increase annually by the percentage increase of the Local CPI for the Riverside-San Bernardino-Ontario Area for All Urban Consumers from January to January, as originally approved by the voters.

**ANALYSIS/DISCUSSION:**

The City approves land development projects with conditions to construct parkway and/or median landscaping and to install City streetlights. Developers must annex into LLMD No. 2 as a condition of the City's acceptance of any publicly maintained landscaping and/or street lighting.

The proposed annexation includes the projects identified below and in the Engineer's Report included as **Attachment 1**. Additionally, a vicinity map showing past annexations and proposed annexations has been included as **Attachments 2A and 2B**:

**Non-Residential Annexations:**

PPD 2018-0105: This development consists of one (1) parcel proposed for the development a shopping center on 1.61 acres of land.

PPD 2020-0026: This development consists of three (3) parcels proposed for an industrial development on 11.81 acres of land.

PPD 2021-0013: This development consists of one (1) parcel proposed for a commercial development on 13.22 acres of land.

**Residential Annexations:**

PPD 2021-0011: This development consists of four (4) parcels proposed for the development of 32 single-family residential units on 4.75 acres of land.

The City proposes to annex these areas into LLMD No. 2 to fund, in whole or in part, the expenses required to service and maintain the improvements that provide special benefits to those parcels.

The City previously engaged Webb Municipal Finance as the City's Assessment Engineer to prepare an Engineer's Report identifying the properties for annexation into LLMD No. 2 and levying the special assessments against those properties beginning July 1, 2022. In order to establish an appropriate special benefit connection between the improvements, services provided, and the benefits to specific properties, the City has established Zones of benefit within LLMD No. 2. Based on the various improvements, services, and the type of property, the Engineer's Report assigns each property to a Zone. The Engineer's Report then allocates to all properties the net annual costs to provide services to each Zone within LLMD No. 2 using a weighted method to ensure that each property receives a reasonable assessment for the special benefits it receives.

The California Constitution requires a protest ballot proceeding prior to the proposed levy of new assessments as described in the Engineer's Report. If the City Council initiates the annexation process, Webb Municipal Finance (on behalf of the City Clerk) will mail public notices, and official

ballots to the property owner of record for the property annexed into LLMD No. 2. A Consent and Waiver was signed by each owner of property annexing into LLMD No. 2 waiving the 45 days as stated in Section 4 of Article XIID of the California Constitution. The proposed Resolution declaring the City Council's intention to annex such property into LLMD No. 2 orders the Public Hearing to be scheduled for September 27, 2022, to consider public testimony on the new special assessments. Once the City Council closes the Public Hearing, the City Clerk will open and tabulate the protest ballots received to determine whether a majority protest exists.

If a majority protest does not exist, the City Council may approve the Engineer's Report, approve the related assessment diagrams, order the annexation of the various properties, and confirm the assessments as described in the Engineer's Report. If the City Council approves, the City will add the assessments to the annual LLMD No. 2 Engineer's Report for Fiscal Year 2022/2023 and submit it to the San Bernardino County Auditor/Controller for inclusion on the property tax rolls for each of the affected parcels.

### **ENVIRONMENTAL IMPACT:**

The administrative process to annex properties into a Special District is not a "Project" as defined by the California Environmental Quality Act (CEQA). Under Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

### **GENERAL PLAN CONSISTENCY:**

This action is consistent with Guiding Principle 3 in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

This action is also consistent with the following goals and policies:

#### **Goal 2-11: Design streetscapes in Rialto to support and enhance the City's image as a desirable place to live, work, shop, and dine.**

Policy 2-11.1: Require the screening of commercial or industrial parking areas, storage yards, stockpiles, and other collections of equipment from the public right-of-way.

Policy 2-11.2: Provide and maintain street trees and parkway landscaping within the public right-of-way for developed properties within Rialto. Require private development to do the same as per City design regulations.

Policy 2-11.4: Incorporate street trees and other landscape treatments along corridors to provide sufficient shade canopy and promote pedestrian comfort.

Policy 2-11.5: Require that projects with perimeter walls (including gated residential communities) provide an interesting streetscape, with pedestrian access to major travel ways.

### **LEGAL REVIEW:**

The City Attorney has reviewed and supports this staff report and resolutions.

### **FINANCIAL IMPACT:**

#### **Operating Budget Impact:**

If the City annexes this area into LLMD No. 2, and the improvements are accepted, the City will levy

and collect special assessments as outlined in the table below. The Maximum Assessment Rate is adjusted annually by the percentage increase of the local consumer price index commencing Fiscal Year 2023/2024.

Annexation PPD No.	Owner	FY 22/23 Maximum Assessment Landscape	FY 22/23 Maximum Assessment Lighting	Type of Development
PPD 2018-010	PROPERTY PLUS MOBIL, LLC	\$524.04	\$104.57	Commercial
PPD 2020-002	OP LILAC LLC	\$7,646.33	\$209.15	Industrial
PPD 2021-001	RICHMOND AMERICAN HOMES OF MARYLAND INC	\$9,036.30	\$52.29	Residential
PPD 2021-001	TRAVEL CENTER REALTY, LLC	\$34,673.36	\$257.46	Commercial

**Capital Improvement Budget Impact:**

There is no impact to the Capital Improvement Budget related to the annexation of developments into the LLMD No. 2.

**Licensing:**

A Business License application and payment of a Business License tax is not required for this action.

**RECOMMENDATION:**

Staff recommends that the City Council:

- Set a Public Hearing for September 27, 2022.
- Adopt a Resolution initiating the proceedings for the annexation of properties to the Rialto Landscaping and Lighting Maintenance District No. 2, and to levy and authorize the collection of assessments commencing with Fiscal Year 2022/2023.
- Adopt a Resolution declaring the intention to annex properties to the Rialto Landscaping and Lighting Maintenance District No. 2 and conduct a property owner protest ballot proceeding on the matter of the new assessments related thereto commencing with Fiscal Year 2022/2023.
- Direct Webb Municipal Finance, on behalf of the City Clerk, to mail a public notice and official ballot to all affected property owners prior to the Public Hearing. A Consent and Waiver was signed by each owner of property annexing into LLMD No. 2 waiving the 45-day period as stated in Section 4 of Article XIID of the California Constitution.